

**Audit of the Follow up on Recommendation No. 3  
from Audit Report No. 4-621-98-005-F of  
USAID/Tanzania's Operating Expenses**

**Report No. 4-621-99-003-P  
April 20, 1999**

**REGIONAL INSPECTOR GENERAL/PRETORIA**



# Memorandum

*Regional Inspector General  
Pretoria*

**DATE:** April 20, 1999

**TO:** Mission Director, USAID/Tanzania, Lucretia Taylor

**FROM:** Regional Inspector General/Pretoria, Joseph Farinella

**SUBJECT:** Follow up Review on Recommendation No. 3 from Audit Report No. 4-621-98-005-F of USAID/Tanzania's Operating Expenses, Audit Report No. 4-621-99-003-P

This memorandum is our report on the subject audit. We have considered your comments on the draft report and have included them in their entirety in Appendix II.

I appreciate the cooperation and courtesy extended to my staff during the audit.

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## Background

OMB Circular No. 50 and Office of Inspector General planning guidance require a periodic follow-up review of selected previously closed audit recommendations. Among the factors considered for selection is that the recommendation may have been closed based on the Mission's assertions that corrective action was either completed or substantially complete.

Accordingly, we selected one closed audit recommendation for a follow-up review from the Audit Report No. 4-621-98-005-F, "Audit of USAID/Tanzania's Operating Expenses."

**"Recommendation No. 3: We recommend that USAID/Tanzania review the nine unliquidated obligations totaling \$65,842 listed in Appendix III and deobligate excess funds."**

In its response to the audit report, USAID/Tanzania agreed to deobligate all nine of the obligations listed in Appendix III. In addition the Mission stated that it would conduct quarterly reviews of its unliquidated obligations in the future and deobligate any excess funds.

Based on the above response, RIG/Pretoria determined that USAID/Tanzania had satisfactorily addressed the above recommendation and had reached a management decision thereon. Subsequently, the Office of Management Planning and Innovations, Bureau for Management closed this recommendation on the basis of documentary evidence furnished by the Mission.

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## **Audit Objective**

RIG/Pretoria conducted an audit in accordance with generally accepted government auditing standards to answer the following question:

**Did USAID/Tanzania take effective corrective actions to justify closure of Recommendation No. 3 of Audit Report No. 4-621-98-005-F, titled “Audit of USAID/Tanzania’s Operating Expenses,” issued by RIG/Pretoria on February 26, 1998?**

Appendix I describes the audit’s scope and methodology.

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## **Audit Finding**

**Did USAID/Tanzania take effective corrective actions to justify closure of Recommendation No. 3 of Audit Report No. 4-621-98-005-F, titled “Audit of USAID/Tanzania’s Operating Expenses,” issued by RIG/Pretoria on February 26, 1998?**

Based on our review, USAID/Tanzania took effective corrective actions to justify closure of Recommendation No. 3, Audit Report No. 4-621-98-005-F, titled “Audit of USAID/Tanzania’s Operating Expenses,” issued by RIG/Pretoria on February 26, 1998.

A review of the obligation documents maintained by USAID/Tanzania showed that all nine unliquidated obligations totaling \$65842.00 were deobligated subsequent to the audit.

In addition, The Mission Controller reviews the obligations on a quarterly basis in order to identify and deobligate excess funds.

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## **Management Comments and Our Evaluation**

USAID/Tanzania concurred with the audit report and thanked the auditors for the cooperation they extended to the Mission staff during the audit.

This report has no recommendations. However, the Mission’s response is included in total as Appexdix II.

## SCOPE AND METHODOLOGY

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### **Scope**

We conducted our audit of the implementation status of USAID/Tanzania's Recommendation No. 3 from the audit of USAID/Tanzania's Operating Expenses. The audit was performed in accordance with generally accepted government auditing standards and was conducted at the Mission's offices in Dar Es Salaam, Tanzania, from March 9 through 12 of 1999.

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### **Methodology**

To accomplish our audit objective, we reviewed the Mission's documentation relating to the closure of the audit recommendations for the USAID/Tanzania's Operating Expenses audit. We then reviewed the nine obligations totaling \$65,842.00 listed in the appendix to audit report number 4-62 1-98-005-F and traced them to the deobligating documents. We also interviewed the Mission Controller and her staff to determine the current procedures used to review, identify, and deobligate excess commitments.



U.S. Agency For International Development  
**memorandum**

**DATE:** April 14; 1999

REPLY TO  
 ATTN OF:

Peter S. Klosky, Acting Controller

*S. Peter Klosky* 14 APR 1999

**SUBJECT:**

Follow up Review on Recommendation No. 3 from **Audit Report**  
 No. 4-621-98-005-F of **USAID** /Tanzania's Operating Expenses, Audit  
 report No. 4-621-99-xXx-P

**TO:** Joseph **Farinella**, Regional Inspector General/Pretoria

**REF:** RIG's **email** dated March 23, 1999

The Mission has reviewed the draft audit report and is in agreement with the auditors' comments **that:**

(a) **USAID/Tanzania** deobligated all nine unliquidated obligations totaling **\$65,842.00** included in the audit report of the Mission's Operating Expenses issued by RIG/Pretoria on February 26, 1998.

(b) The Mission conducts quarterly reviews of its unliquidated obligations and **deobligates** any excess funds.

I thank the auditors for the cooperation they extended to our staff during the audit.